

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 SP-02 USIA-06 AID-05 EB-08
NSC-05 TRSE-00 SS-15 STR-05 OMB-01 CEA-01 L-03
H-01 PA-01 PRS-01 CIAE-00 COME-00 FRB-03 INR-07
NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 AGRE-00
FEAE-00 /100 W
-----086451 291412Z /53

R 291300Z SEP 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 9484
INFO AMEMBASSY WARSAW
AMEMBASSY BUDAPEST
AMEMBASSY PRAGUE
AMEMBASSY BUCHAREST
AMEMBASSY SOFIA
AMEMBASSY BELGRADE
AMEMBASSY MOSCOW
AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY BRUSSELS
USMISSION GENEVA
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USEEC

USMTN

E.O. 11652: N/A
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TAGS: EEWT EAGR EALR FR PL
SUBJECT: ECONOMIC AGREEMENTS DURING GIEREK VISIT TO

REFS: PARIS 27565; PARIS 31109, OCT. 21, 1976

1. SUMMARY: THE VISIT OF FIRST SECRETARY GIEREK TO
PARIS ON SEPTEMBER 12 THROUGH 15 DID NOT RESULT IN

MAJOR NEW TRADE AGREEMENTS. THOSE AGREEMENTS WHICH WERE RATIFIED DEMONSTRATED INSTEAD THE MORE LIMITED BILATERAL TRADE EXPECTATIONS DICTATED BY A CONTINUING POLISH TRADE DEFICIT AND POLAND'S SHORTAGE OF HARD CURRENCIES. END SUMMARY.

2. IN A CORDIAL CONTEXT EMPHASIZING POLAND'S AND FRANCE'S LONG-STANDING CLOSE ECONOMIC TIES, THE GIEREK VISIT RESULTED IN SEVERAL ECONOMIC ACCORDS WHICH WILL STIMULATE ON-GOING TRADE BUT WHICH NOTABLY TAKE INTO ACCOUNT THE LIMITED TRADE GOALS DICTATED BY THE POLISH ECONOMY.

3. THE FRENCH GOVERNMENT (GOF) AGREED TO MAKE AVAILABLE UP TO SIX-HUNDRED THOUSAND METRIC TONS OF WHEAT AND BARLEY FROM THE AUGUST 1977 TO JULY 1978 HARVEST PERIOD. A MAXIMUM OF 300,000 TONS CAN BE TAKEN IN WHEAT. A FRENCH TWO-YEAR CREDIT LINE WAS ESTABLISHED TO COVER THE EXPORTS. A MINIMUM PURCHASE OF 100,000 TONS IS REQUIRED TO TAKE ADVANTAGE OF THE CREDIT LINE.

4. A SUPPLEMENTAL COAL AGREEMENT (IN ADDITION TO ON-GOING EARLIER AGREEMENTS) WAS SIGNED PROVIDING FOR FRANCE'S PURCHASE OF 8 MILLION TONS OF COAL FOR THE PERIOD 1978-1988. ANNUAL FLUCTUATIONS ARE LIMITED OFFICIAL USE

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ANTICIPATED IN DELIVERIES. 1.5 MILLION TONS OF THE SUPPLEMENTAL DELIVERIES ARE EXPECTED TO BE MADE DURING 1978-1981. EVENTUALLY THE SUPPLEMENTAL SHIPMENT IS EXPECTED TO DROP TO 100,000 TONS BY THE FINAL YEAR IN 1988. A FRENCH FOREIGN TRADE MINISTRY OFFICIAL DESCRIBED FRANCE'S COAL IMPORTS DURING 1976 AND 1977 AS BEING EXCEPTIONALLY HIGH. A JOINT WORKING GROUP WAS ESTABLISHED TO STUDY FUTURE FRENCH COAL REQUIREMENTS TO DETERMINE FURTHER POSSIBILITIES FOR EXPANDING IMPORTS.

5. IN CONJUNCTION WITH THIS SUPPLEMENTAL COAL AGREEMENT A NEW 220 MILLION FRENCH FRANC CREDIT LINE FOR EXPORTING SEMI-FINISHED PRODUCTS (INCLUDING CHEMICAL) WAS ESTABLISHED. THE TERMS OF CREDIT VARY WITH THE RESPECTIVE PRODUCTS. THE PREVIOUS CREDIT LINE IN THIS CATEGORY HAD BEEN FULLY EXPLOITED BY POLAND. OF THE OTHER EXPORT CREDIT LINES PREVIOUSLY ESTABLISHED THE FRENCH OFFICIAL REPORTED THAT AS OF JUNE 1977, 200 MILLION OF THE 225 MILLION FRANCS CREDIT ALLOCATED FOR LIGHT INDUSTRIAL PRODUCTS HAD ALREADY BEEN ALLOCATED, AND 90 MILLION OF THE 450 MIL-

LION FRANCS CREDIT FOR MEDIUM TO HEAVY INDUSTRIAL PRODUCTS HAD BEEN DRAWN DOWN. THE MINISTRY OFFICIAL NOTED THAT OF THE OVERALL 7 BILLION FRANC CREDIT LINE ESTABLISHED FOR POLAND (COVERING JUNE 1975-JUNE 1978), ONLY 2.3 BILLION FRANCS HAD BEEN DRAWN UPON. (NO CHANGE FROM OCTOBER 1976.)

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FEAE-00 /100 W

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FM AMEMBASSY PARIS
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6. FURTHER NEGOTIATIONS FOR A 3 BILLION FRANC
CONTRACT BY THE FRENCH FIRM TECHNIP FOR THE CONSTRUCT-
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ION OF A PETROLEUM REFINERY AT GDANSK WERE CANCELLED
REPORTEDLY DUE TO THE POLISH CONCLUSION THAT THE
CONSTRUCTION OF THE REFINERY WOULD ULTIMATELY NOT
HAVE BEEN PROFITABLE.

7. NEGOTIATIONS OVER A NEW COPPER TRADE AGREEMENT
ARE STILL IN PROGRESS.

8. IN AN INNOVATIVE APPROACH TO STIMULATING
BILATERAL TRADE THE GOF AND POLAND AGREED TO FACILI-
TATE IN A GENERAL MANNER THE PARTICIPATION OF SMALLER
AND MEDIUM-SIZED COMPANIES IN TRADE AGREEMENTS.
SPECIFIC PROPOSALS TO IMPLEMENT THIS AGREEMENT HAVE
NOT BEEN ESTABLISHED.

8. THE FRENCH FOREIGN TRADE MINISTRY OFFICIAL
OFFERED THE FOLLOWING FRENCH/POLISH 7 MONTH TRADE
STATISTICS (IN THOUSANDS OF FRENCH FRANCES):

	JAN-JULY 76	JAN-JULY 77	CHANGE
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FRENCH IMPORTS	1,128	1,249	PLUS 10.7
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FRENCH EXPORTS	2,122	1,524	NEGATIVE 28.2
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SURPLUS	994	SURPLUS 275
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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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